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C O N F I D E N T I A L SECTION 01 OF 02 COLOMBO 000807

SIPDIS

DEPT FOR SA/INS

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SUBJECT: SRI LANKA: WESTERN PROVINCIAL COUNCIL SHOWDOWN PRESAGES DIFFICULT SUMMER FOR PRESIDENT KUMARATUNGA

Classified By: CHARGE' D'AFFAIRES A.I. JAMES F. ENTWISTLE. REASON: 1.4 (B,D)

11. (C) Summary: A growing controversy over the future of the Chief Minister of the Western Province has exacerbated already-strained tensions within the United People,s Freedom Alliance (UPFA) and has breathed new life into the long-dormant opposition United National Party (UNP). At the same time, it serves as yet another example of the Janatha Vimukthi Peramuna,s (JVP) political muscle in the current political arena. The flap*which centers on a UNP-sponsored no-confidence motion against the reportedly corrupt Chief Minister Reginald Cooray, a senior SLFP leader*could be a big embarrassment for President Kumaratunga and comes at a time when her government,s standing among the electorate is already precarious as a result of her handling of post-tsunami reconstruction. With the JVP becoming an increasingly more hostile coalition partner, Kumaratunga will face a difficult summer as she will have to fend off competition from both sides of the political aisle. End summary.

Provincial Council Latest Venue for Political Great Game

- 12. (C) Political drama in Colombo kicked into high gear on April 25 when UNP members of the Western Provincial Council*Sri Lanka,s largest and most important regional council that includes the affluent and densely populated Colombo region, where the three main parties all compete for votes*initiated a motion for a no-confidence vote in the SLFP Chief Minister, Reginald Cooray. The UNP accused Cooray*a senior SFLP leader, former Minister of Media, and close friend of President Kumaratunga*of accepting bribes for bus route permits from private operators and nepotism in awarding civil service positions in the province. The no-confidence measure gained momentum later that same day when the JVP, the SLFP,s junior partner in the ruling UPFA alliance, announced its 23 council members would abstain from voting on the issue, thereby permitting the UNP and its allies*which hold 39 and 6 seats respectively in the 104-seat council*to overcome opposition from the SLFP, which has only 36 seats. The JVP cited its determination to combat political corruption for the decision.
- 13. (SBU) Acting through her appointed provincial governor, Kumaratunga inserted herself into the middle of the controversy by using her executive powers to postpone the sitting of the council until May 17 in an attempt to prevent the council from voting on the motion. The opposition has challenged the legality of the governor's move, labeling it as unconstitutional, and pledged to revive the motion when the council reconvenes if new council elections are not called. Kumaratunga has attempted to mitigate the blowback by setting up an independent commission to investigate corruption charges against Cooray and calling on him to resign if the commission rules against him. For his part, Cooray*whose corruption is extensive, according to various embassy contacts*maintains that the charges are baseless and stated that he was prepared to face the inquiry and would resign if his detractors could prove their accusations.

Provincial Showdown: The Start of More Aggressive UNP

14. (C) In a recent conversation with poloff and pol FSN, Mahinda Haradasa and Nimal Weeraratne (protect)*two lawyers who serve as a UNP political advisor and party treasurer respectively*reported that after a period of internal reorganization and soul searching, the UNP was set to embark upon a more aggressive and visible campaign to take on the government and tout its pro-market, pro-peace platform over the next few months. The party plans to hold an internal rally on May 10 to unveil its new campaign and would then initiate public rallies and a door-to-door campaign in the voting districts, according to Haradasa and Weeraratne. They reveled in the UNP,s success in exploiting the Cooray controversy and opined that morale in the party was high. While admitting that tensions existed within the various factions of the party shortly after their defeat in last year,s parliamentary election, they indicated that the party was once again united behind the leadership of Ranil

Wickremesinghe.

15. (C) In a separate conversation with poloff, Dr. Jehan Perera of the National Peace Council reiterated the belief that the UNP was once again united behind Wickremesinghe, but he opined that the party,s recent low-profile might be part of a plan that minimizes risk and plays into the SLFP,s own overstretch. Given the unrealistic campaign promises and the increasing tensions between the SLFP and the JVP being played out in the media, the UNP realizes it benefits from lying low and allowing the government,s increasing dysfunction to swing voter sympathies its way, Perera suggested.

The SLFP-JVP Alliance: The Tail Wagging the Dog?

16. (C) The provincial council showdown also provides more evidence that, in addition to the UNP, Kumaratunga will have to continue to combat criticism from the JVP, which has proven particularly problematic and critical in the past two weeks, especially over the SLFP,s push for a joint mechanism for tsunami relief. Despite their intransigence in the Cooray affair, JVP officials have been quick to note that the party remains committed to their alliance with the SLFP, but emphasized the alliance was based on policies and not individuals. Local press report that the President held a private meeting with the JVP to work out some compromise between the two parties but was unable to win their support.

Comment

- 17. (C) President Kumaratunga,s political maneuverability is increasingly constrained by a vociferous JVP and emboldened UNP, and what little political capital she did receive for her initial post-tsunami response and camera time with various world leaders has now disappeared. The Western Provincial Council controversy appears to be a lose-lose situation for Kumaratunga*either she suffers the embarrassment of having to force a prominent SLFP official to resign or faces the prospect of having it forced upon her by a no-confidence motion*and taints the party's reputation with reports of corruption.
- 18. (C) For their parts, the UNP and JVP see in the Cooray affair an opportunity to hit the SLFP at a crucial time. The JVP,s actions support its claim that it is a incorruptible party that can be trusted to run the government efficiently and provides it a boost in the more important fight over the joint mechanism. The conflict over the provincial council may also be what the UNP needs to pull itself out of a long period of torpor and indecision.

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